

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-036-C - ORDER NO. 1999-461

JUNE 30, 1999

IN RE: Application of Promise-Net International,	)	ORDER
Ltd. for a Certificate of Public Convenience	)	APPROVING
and Necessity to Provide Intrastate Resold	)	APPLICATION
Interexchange Telecommunications Services	)	
within the State of South Carolina and for	)	
Alternative Regulation of its Business	)	
Services Offerings.	)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Promise-Net International, Ltd. ("Promise-Net" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services between and among locations within the State of South Carolina as a non-facilities based interexchange telecommunications service provider. The Company's Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1998) and the Regulations of the Public Service Commission of South Carolina. By its Application, Promise-Net also requested alternative regulation of its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

The Commission's Executive Director instructed Promise-Net to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Promise-

Net's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on June 9, 1999, at 11:00 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip T. Bradley, Chairman, presided. Promise-Net was represented by Bonnie D. Shealy, Esquire. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Burl Sheppard, Vice President of Promise-Net, appeared and testified in support of the Application. The record reveals that the Company is a Georgia corporation which is registered to conduct business in South Carolina as a foreign corporation. The Company proposes to offer a variety of switched and dedicated access, resold interexchange telecommunications services, including 1 Plus, and "800/888" services. Although the Company's application indicates it will offer prepaid calling card services, Mr. Sheppard testified that Promise-Net will not offer prepaid calling card services at this time. The Company will revise the section of the tariff that pertains to prepaid calling card services by deleting the prepaid calling card charges. According to Mr. Sheppard's prefiled testimony, Promise-Net is currently authorized to provide interexchange telecommunications services in California, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Missouri, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Pennsylvania, Texas, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

Promise-Net will operate solely as a non-facilities based interexchange telecommunications service provider in South Carolina. In addition, the Company will offer its services to both business and residential subscribers. TeleHub will operate as Promise-Net's underlying carrier. The Company's customer service department will be available for inquiries from 8:00 a.m. until 12:00 a.m. Promise-Net will also utilize a written Letter of Authorization to verify a customer's request to utilize the Company's services.

The Company has not received any revenues from the completion of intrastate calls in South Carolina to date. In addition, the Company will use agent-based and wholesalers to market its services in South Carolina. The Company's regulatory contact person is Glenn Richards. Mr. Sheppard also discussed Promise-Net's technical, financial, and managerial resources to provide the services for which it seeks authority to provide. The Company has not been denied authority in any state where it applied for authority nor has authority been revoked in any state where the Company has been granted authority. Furthermore, the Company has never been the subject of an investigation by any state or federal regulatory body nor has the Company ever been fined or sanctioned by any state or federal regulatory body in connection with its telecommunications services. Mr. Sheppard testified that Promise-Net will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACT**

1. Promise-Net is organized as a corporation under the laws of the State of Georgia and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Promise-Net operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. Promise-Net has the experience, capability, and financial resources to provide the services as described in its Application.

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Promise-Net to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Promise-Net for its resale of residential services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re:

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Promise-Net shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. Promise-Net shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1998).

4. With respect to Promise-Net's business service offerings including credit card services, operator services, and customer network offerings, the Commission adopts a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of a particular tariff filing. If the Commission institutes an investigation of a particular tariff within the seven days,

the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Promise-Net also.

5. If it has not already done so by the date of issuance of this Order, Promise-Net shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

6. Promise-Net is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

7. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

8. Promise-Net shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Promise-Net changes the underlying carriers, it shall notify the Commission in writing.

9. With regard to the origination and termination of toll calls within the same LATA, Promise-Net shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

10. Promise-Net shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

11. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Promise-Net shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

12. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

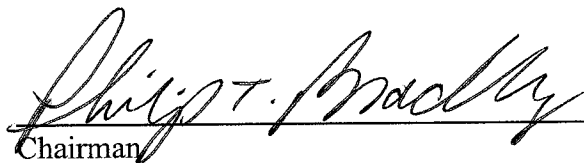
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13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)



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ATTACHMENT A

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**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S**

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COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

---

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

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TITLE

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ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY  
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL  
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission  
the name, title, address, and telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

\_\_\_\_\_  
Company Name/DBA Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Authorized Utility Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
This form was completed by      Signature

If you have any questions, contact the Consumer Services Department at 803-896-5230

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connection with Customer Relations/Complaints.

\_\_\_\_\_  
Company Name/DBA Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State

\_\_\_\_\_  
Authorized Utility

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
This form was completed by      Signature

If you have any questions, contact the Consumer Services Department at 803-896-5230

*Michael: pgs.  
attach this to  
the back of the  
original order.  
It was left off  
me*

